

~~CONFIDENTIAL~~

AD/RR

22 March 1961

Executive Secretary, EIC

EIC Subcommittees

1. Ted Nordbeck's imminent visit has prompted me, as I stand here on the New Frontier, to draw my shooting iron and take dead aim on some of the problems that relate to the EIC Subcommittees.

2. It has been rather interesting to wander through some of the EIC files and become acquainted with past attempts to solve the problems connected with moribund Subcommittees. On 14 November 1955, for example, a staff study was written for the AD/RR in which it was recommended that an Advisory Panel be established for the purpose of giving general assistance to the EIC. This proposal was advanced because of the inactive and unproductive life of the General Economic Analysis Subcommittee (SEA). Here is a striking sentence from the memorandum: "The SEA, which should have been the capstone of the EIC Subcommittees, has been the most limited in its activities."

3. The Advisory Panel was either aborted or strangled in the cradle so another review of the problems resulting from an inactive SEA took place on 18 April 1957. A copy of the memo of 14 November 1955 was attached and [REDACTED] wrote: "Both Rush and I consider this paper an appropriate starting point for our discussion." The minutes of this ad hoc meeting have not been handed down to posterity but the lasting effects of the meeting are all too apparent in reading SEA's annual report for 1958. A few sentences will suffice to prove that the meeting did not result in any frenzied activity on the part of SEA and its Chairman:

"1. No meetings were held during the year.

"2. No projects were undertaken by the members of the Subcommittee.

"3. No substantive discussions of economic intelligence were held by the Subcommittee."

4. The moral of all this seems to be that no Subcommittee can be very active if the various agencies around town have no competent or appropriate members to contribute. In the case of SEA, only CIA

25X1A9a

~~CONFIDENTIAL~~

SUBJECT: EIC Subcommittees

and State are engaged in over-all economic analysis on the Bloc and of course CIA now does almost all of it. Although the SEA has always led a quiet life it has never bothered anyone nor cost anything for administrative upkeep. It does provide a convenient apparatus for coordinating external research proposals as well as evaluating the net intelligence advantage of some US-Soviet exchanges. If the Subcommittee is abolished it will probably be more awkward and time-consuming than it now is to coordinate external research projects. This seems to me to be sufficient reason to retain the committee.

5. Most of the other dormant committees probably possess the potential for some degree of usefulness in time of a crisis. The Petroleum brigade of the EIC, for example, sprang into action at the time of the Suez affair and it seems likely that other Subcommittees are capable of responding in a like manner to the hot-foot of critical events.

25X1A9a 6. There seems little likelihood, however, of ever being able to justify the Economic Defense Subcommittee. This group was organized after the demise of the EDIC. Since its formation it has never transacted any business, so last summer [redacted] and I tried to give it a decent burial and would have succeeded if we hadn't been thwarted by a protest from someone in the Defense Department. He indicated that the Economic Defense Subcommittee had many patriotic duties to perform, and requested a survey of intelligence analysis on economic defense in order to find out how well off we are in such a field. [redacted] preliminary investigation revealed 25X1A9a that research on matters of interest to the economic defense community are centered almost entirely in research on strategic commodities and are more properly the responsibility of commodity specialists and their respective EIC Subcommittees. Then this Defense character wanted to know what [redacted] was doing about economic mobilization. No one can seriously believe that this Subcommittee on Economic Defense is entitled to do anything independently on such a subject. However, such questions interrupted a long overdue funeral. Perhaps we can put the Committee on a stand-by basis. In this way 25X1A9a [redacted] won't have to go through the absurdity of making an annual report.

25X1A9a 7. This brings me back to the imminent visit of T. Nordbeck. Will you tell me before he comes down to the EIC/S what the party line is?

25X1A9a

[redacted]

25X1A9a Distribution: Original - Addressee 2 - EIC/S ✓
ORR/EIC/S: [redacted] :em/3707 (22 Mar 61)